



New Jersey Department of Children and Families Policy Manual

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Purpose 6-1-90

Banking policy and procedures are established to provide a means of disbursement of funds when the normal Treasury payment mechanism is not appropriate.

Scope 6-1-89

The scope of this policy includes all bank accounts maintained in the name of the Division of Child Protection and Permanency or in the name of any office of the Division of Child Protection and Permanency regardless of the nature or origin of the source of funds.

References 6-1-89

The following CP&P policy and procedures are predicated upon other existing authoritative sources as mandated by the Department of Treasury, the Department of Human Services, and the Department of Children and Families. These sources include: Treasury Circular Letters 85-10, Banking Services, and 87-06, Guidelines for the Establishment and Operation of Special or Confidential Funds; Department of Human Services Planning and Finance Circular 84-3, Requests for Banking Services; and Administrative Order 7:02, Authorized Signatories for Accounting, Finance, Purchasing, and Payroll Documents Processed through the Department of the Treasury.

Internal Controls 6-1-89

The Cost Center Manager is responsible for establishment of internal controls as specified below.

General Controls 6-1-89

1. Maintain appropriate physical safeguards for cash, checks, records, etc.

2. Secure and protect cash, and blank, partially prepared, mutilated or voided checks from unauthorized use.
3. Assure that the supply of unused checks is adequately safeguarded and under the control of someone other than the person responsible for preparing the checks.
4. The State of New Jersey, Department of Treasury authorizes all special purpose fund accounts, in accordance with Treasury Circular 85-10, and Planning and Finance Circular 88-5.
5. Maintain all financial documentation including check register, voided and canceled checks, bank statements and check requests for a minimum of six years in accordance with state retention schedules.

Controls Over Receipts and Deposits 6-1-89

1. Record all receipts, including donations, properly and timely. Deposit receipts intact, upon receipt.
2. Assure that the comparing of the records of donations and other special purpose funds received to the amount deposited is assigned to an employee not responsible for the recording of the donation, the depositing of same or reconciling the account.
3. Deposit and endorse to the State of New Jersey all checks received.
4. Ensure that a detailed duplicate deposit ticket is prepared by the cashier, receipted by the bank teller, and permanently retained as documentation.
5. Include in a deposit all receipts received up to the exact time of preparation of the deposit slip.
6. If the nature of the receipt is a donation, send a written acknowledgement to the donor and retain a copy as part of the documentation.

Controls over Disbursements 6-1-89

1. Ensure that all checks are pre-numbered and accounted for.
2. Use a check protector in the preparation of the checks.
3. Assure that the signing of blank checks is strictly prohibited.
4. When presented for signature all checks are accompanied by approved disbursement vouchers and other pertinent supporting documentation.
5. Retain mutilated and voided checks and keep with canceled checks.

6. The preparation of checks made payable to cash is prohibited.
7. Assure that all checks have two signatures of individuals who do not have custodial responsibilities for the checkbook.
8. Persons who sign checks should be independent of those:
 - Requesting the expenditure;
 - Approving the expenditure;
 - Preparing the check;
 - reconciling the bank account.
9. Cancel vouchers and supporting papers subsequent to payment to prevent issuance of duplicate checks.
10. All disbursements should be approved by management personnel.
11. Record all disbursements in a permanent record which indicates the date of the check, check number, amount of check, payee and purpose of the disbursement.

Bank Statements and Reconciliation 2-12-2015

1. Assure that the account is reconciled promptly each month by persons who have no cash receipt or disbursement responsibilities.
2. The reconciliation procedures should include:
 - Receipt of bank statement and canceled checks unopened;
 - Comparison of canceled checks with disbursements journal as to amount, date and payee;
 - Examination of canceled checks for authorized signature;
 - Examination of canceled checks for alterations;
 - Comparison of date and amount of deposit on bank statements to cash receipts journal;
 - Investigation of inter-bank transfers to determine that both sides of the transactions have been recorded;

- Review of completed bank reconciliation by a manager or supervisory staff person.
3. Checks outstanding for a considerable time (over 180 days) are to be investigated, stop payments requested and amounts restored to cash balances.

Establishing New Accounts 6-1-89

RESPONSIBILITY	ACTION REQUIRED
Office Manager	1. Submit the CP&P Form 16-84 , Request for Banking Services, to the Area Business Manager upon determination of need for a new bank account. Note: all account transactions require dual signatures as follows:
	• Divisions - First Signer - Chief Fiscal Officer or Deputy Chief Fiscal Officer - Second Signer - CP&P Director or Deputy Director;
	• Institutions and Facilities - First Signer - Business Manager or Assistant Business Manager - Second Signer - Superintendent (Administrator) or Assistant Superintendent (Assistant Administrator);
	• Local Offices, Field Offices, and other agencies - First Signer - individual in a responsible administrative position - Second Signer - individual in a responsible operations position.
Area Business Manager	2. If request is approved, forward to the DCF Office of Accounting.
Office of Accounting	3. After reviewing the request and determining that there is sufficient justification for establishment of the new account, forward request to the DCF Office of Accounting.
DCF Office of Accounting	4. Forward all approved requests to the Department of Treasury, Office of Management and Budget, Cash Control Unit.

Department of Treasury - Cash Control Unit	5. Contact the appropriate bank to make the necessary arrangements for establishing the account. Send copies of the letter authorizing the establishment of the account to the DCF Office of Accounting, and the CP&P field office.
Local Office Manager	6. Obtain signature cards from the local bank.
	7. Complete signature cards and return through the appropriate channels prior to beginning operation of the account.

Account Reconciliation 6-1-89

A general requirement for all CP&P maintained bank accounts is that a monthly reconciliation be performed. In cases involving special purpose funds in a field office, it is essential that an individual other than the account custodian or authorized check signers be given the responsibility for reconciling the accounts.

For accounts maintained by the DCF Office of Accounting, the designated accountant within the Office of Accounting takes prescribed steps for reconciliation of accounts upon receipt of a statement from the bank and a disbursement summary from the office which maintains the account.

Regardless of what organizational unit maintains the account, the reconciliation of the account must be completed in the following manner:

1. Compare paid checks returned by the bank with debits shown on the bank statement.
2. Arrange checks in numerical sequence.
3. Compare checks returned with list of checks outstanding at close of previous month, as shown by previous month-end reconciling, and with checks issued during the month, as shown by the cash disbursements record. Note all checks outstanding or issued that were not returned. This comparison should include the check number, name of payee, and amount.
4. Scrutinize each check for proper endorsement. Any checks not properly endorsed should be returned to the bank immediately with a request that such endorsement be obtained.
5. List, by date, number, name, and amount, all checks that have not been paid by the bank as disclosed by the comparison of the checks returned with the previous month's list of checks outstanding and the cash disbursement record.

6. Ascertain that any amounts appearing as deposits not credited by the bank in the previous month's reconciliation appear as credits on the current month's bank statement.
7. Ascertain that all reconciling items other than checks outstanding and deposits not credited by the bank that appeared in the previous month's reconciling have been accounted for either as corrections by the bank during the current month or by appropriate entry to the general ledger cash account.
8. Compare amounts transmitted to the bank for deposit with deposit amounts shown by the bank statements. List any that have not been credited by the bank.
9. Ascertain what charges and credits, if any, have been made by the bank during the month, that havenot been entered in the accounting records.
10. Contact the Office of Cash Management within the Department of the Treasury for resolution of any situations that cannot be immediately resolved, such as inappropriate charges by the bank.
11. Pursue all situations until the reconciliation is complete.

Changes in Authorized Signatures 6-1-89

RESPONSIBILITY	ACTION REQUIRED
Office Manager	1. Forward a request to the Management Coordinator, DCF Office of Accounting, when the need arises to make changes to authorized check signers.
Office of Accounting	2. After review and approval, forward the request to the Department of Children and Families Office of Accounting. All requests must include the:
	a. name and address of the bank;
	b. bank account number;
	c. existing authorized signers and titles;
	d. name and title of new signer(s); and
	e. name and title of deleted signer(s).
	3. Upon approval, forward the request to the Department of Treasury, Office of Management and Budget, Cash Control Unit, who contacts the appropriate bank.
Department of Treasury Control Unit	4. Send a copy of the letter Cash issued by Treasury authorizing the requested changes to the DCF Office of

	Accounting, and the CP&P field office.
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Closing Old Accounts 6-1-89

RESPONSIBILITY	ACTION REQUIRED
Office of Accounting	1. Close accounts no longer needed or for some other reason not suitable by sending a copy of the bank statement showing a zero balance to the Office of Cash Management within the Department of Treasury, along with a letter requesting that the account be closed and the reasons.
Department of Treasury, Office of Case Management	2. Contact the bank directly and take steps necessary to ensure the completion of the close-out.
	3. Forward copies of correspondence authorizing the close-out to the DCF Office of Accounting, and the CP&P field office.

Replenishment of Accounts 6-1-89

Local Office Master Accounts 6-1-89

Master Accounts at National State, Midlantic, First Fidelity and United Jersey banks are shared by various field locations throughout the state. Replenishment of these accounts is accomplished by completing a State of New Jersey Payment Voucher (Vendor Invoice) PV6-93, for an amount equal to actual expenditures made up to the time of the requested replenishment to draw funds from the applicable appropriation account. A Treasury check is issued and returned to the Office of Accounting via CP&P courier. The check is deposited in the Master Account.

Day Care and State-Aid Accounts 6-1-89

These accounts are maintained by the Office of Accounting. Replenishment of these accounts is accomplished by completing a State of New Jersey Payment Voucher (Vendor Invoice) PV6-93, to draw funds from the applicable Appropriation Account. A check is issued by Treasury and returned to the Office of Accounting by courier. The check is deposited in the appropriate account.

Operation of Special Purpose Accounts/Non-Appropriated Funds by Field Offices 6-1-89

Special Purpose Funds/Non-appropriated Funds are established at the request of a field office for the purpose of receiving and disbursing monies which have been donated specifically to that particular office for the benefit of the clients whom they serve.

Requests to establish accounts of this type should be done in accordance with

It is the responsibility of the Cost Center Manager to ensure appropriate use of these funds. The following Internal Control Guidelines are to be implemented for all such accounts.

Internal Control Guidelines for Special Purpose Accounts 6-1-89

1. Immediately deposit all donated funds with a local bank in an account established in the name of the Division.
2. Record receipt of each donation in a permanent record. Each transaction must identify the date of the receipt, the donor, the amount of the receipt, and the purpose of the donation. Send a written acknowledgement to the donor and retain a copy as part of the documentation.
3. Two signatures are required on every check written from the account. Authorized signers must be limited to individuals not having direct custodial responsibilities for the maintenance of the fund or responsibilities for maintaining accounting records.
4. The local office supervisor or his or her assistant must approve, in writing, all requests for the disbursement of funds.
5. Record each disbursement which must include the date of the disbursement, check number, amount, payee, and purpose of the disbursement.
6. Monthly bank reconciliations must be performed regularly by an individual other than the fund custodian.
7. Send copies of monthly bank reconciliations to the Office of Accounting, Cost Code #973.
8. Business Offices are required to perform quarterly reviews of Special Purpose Funds/Non-appropriated funds maintained at local offices.